



August 27, 2004

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

**Re: 2002 Service Quality Refund; DTE 03-20**

Dear Secretary Cottrell:

On August 6, 2004, Massachusetts Electric Company and Nantucket Electric Company (collectively "Company") updated the Department on the status of the credit provided by the Company to its customers during the billing month of July 2004 relating to the Company's 2002 Service Quality penalty and the remaining balance due to customers. As stated in the August 6<sup>th</sup> update, of the total amount of the credit due to customers of \$4,853,860, the Company reflected credits on customer bills of \$4,683,293, leaving an amount due to customers of \$170,567.

As indicated in the Company's August 6<sup>th</sup> letter and in a previous letter to the Department dated July 8, 2004, the Company stated it would make a true-up proposal to resolve this remaining balance. Upon review of this balance and the incentive earned as result of its 2003 Service Quality performance, the Company believes the most efficient and least complex way to resolve this outstanding balance is to apply the remaining amount due to customers of \$170,567 against the amount of the 2003 Service Quality incentive earned by the Company of \$3,778,897, resulting in a net 2003 Service Quality incentive to be recovered from customers of \$3,608,330.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

Thomas G. Robinson

cc: Service List